



memorandum

Administration

To/MS: UC Employees
From/MS: Richard A. Marquez, A108
Phone/Fax: 7-1973 / 7-5624
Symbol: ADA-05-101
Date: October 20, 2005

Subject: Open Enrollment — 2006

The University of California is in the process of notifying employees by mail about open enrollment and increases to healthcare premiums for 2006. I want to take this opportunity to simultaneously notify all employees about these changes.

Open Enrollment — 2006
is from 8:00 am (PT) **Tuesday, November 1, 2005**
through midnight (PT) **Wednesday, November 30, 2005.**

Watch for an eight-page Open Enrollment brochure that you will receive at your home address later in October – it provides a general summary of Open Enrollment information, including 2006 monthly LANL employee costs for medical plans in effect during the 2006 UC coverage period.

Please review the details and make your changes online at the Open Enrollment Section of the *At Your Service* website (<http://atyourservice.ucop.edu>).

HIGHLIGHTS

- While healthcare costs have continued to rise significantly around the country in recent years, UC and the Department of Energy's (DOE) National Nuclear Security Administration (NNSA) have worked together to address LANL healthcare issues, particularly to prevent drastic fluctuations in employee premium costs and to maintain market-competitive plans. For the 2006 UC coverage period, the monthly medical plan premium increases at UC/LANL are more moderate because of these efforts, including the effect of plan design changes made over the past several years. As your medical premium is paid on a pre-tax basis, the actual impact of any premium increase on your paycheck is less than established rates. (See table, page 4).
- Open enrollment comes this year during a period of transition at LANL as the decision by the NNSA regarding the successor contractor for LANL approaches. As a UC employee, your current benefits, including those that you choose or change during Open Enrollment, will continue through May 31, 2006, the end date of the current UC contract.
- UC will explore various options with the NNSA and the successor contractor to extend the coverage period for the medical plans and health care and dependent care reimbursement accounts through year-end in order to minimize disruptions for LANL employees.
- Information about benefits that will be provided by the successor contractor will be available before implementation of the new contract to ensure that you have adequate information and time to make the necessary decisions regarding your benefits.

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- You have a one-time opportunity to enroll in Supplemental Disability or reduce your waiting period without completing a statement of health for the 2006 UC coverage period.
- Important IRS changes have been implemented effective this calendar year to allow you to apply unused 2005 Health Care Reimbursement Account (HCRA) and Dependent Care Reimbursement Account (DepCare) balances to eligible expenses incurred through March 15, 2006. These changes make those plans even more valuable for managing anticipated healthcare and dependent care costs on a pre-tax basis.

UC remains committed to supporting you in your efforts to maintain wellness and a healthy life for yourself and your family. UC will continue to partner with you and our medical plans during the 2006 UC coverage period to provide new programs, resources, and education about wellness, healthy lifestyles, and fitness.

Medical plan design changes for the 2006 UC coverage period

There will be no changes in the coverage of the Core—New Mexico, Select EPO, Options PPO, or Definity Health—New Mexico (formerly iPlan) plans. Copayments for all office visits in the available HMO plans will increase by \$5. Details about plan designs and monthly employee costs are on the online Open Enrollment website (<http://atyourservice.ucop.edu>).

Dental and vision plans remain cost-free to employees

Monthly premiums for the Delta Dental Plan and the Vision Service Plan (VSP) will continue to be fully paid by UC during the 2006 UC coverage period. There will be benefit enhancements in the dental plan.

Supplemental Disability

You will have a one-time opportunity this year to enroll in the plan or reduce your waiting period without completing a statement of health if you are currently enrolled in the plan. There will be no plan changes during the 2006 UC coverage period.

***Health Care Reimbursement Account (HCRA) and Dependent Care Reimbursement Account (DepCare)**

**You must re-enroll in these plans to continue your participation in 2006.*

Effective calendar year 2005: The IRS annual account balance forfeiture rule has been modified. You may use any account balance that remains at the end of 2005 to be reimbursed for eligible expenses incurred through March 15, 2006. Moreover, the deadline for filing claims will be extended from April 15 to June 15, 2006. Deadlines for the 2006 UC coverage period will be confirmed when we determine whether coverage can be extended to year-end.

Other insurance plan premiums to remain stable or decrease during the 2006 UC coverage period

Accidental Death & Dismemberment Insurance (AD&D) is open for enrollment year-around, employee monthly costs will decrease in 2006.

The ARAG Legal Plan is not open for new enrollments this year; provisions and employee monthly costs will remain the same in 2006.

Actions you can take during Open Enrollment

- Change to a different medical plan.
- Change participation in the Tax Savings on Insurance Premiums (TIP) program.
- Enroll eligible family members in your health plans or cancel health plan coverage for currently enrolled family members. Be sure to check our online Open Enrollment Eligibility section to see if your family members are eligible for coverage.
- Enroll in Supplemental Disability or reduce your waiting period without completing a statement of health — **open one-time only this year**.
- Enroll or re-enroll in the HCRA — if currently enrolled, you **must re-enroll** for participation in 2006.
- Enroll or re-enroll in the DepCare — if currently enrolled, you **must re-enroll** for participation in 2006.
- Opt out of your medical, dental, and/or vision plan, or enroll in a new plan if you previously opted out.

If you are satisfied with your current insurance enrollments and have no changes, you don't need to do anything. If you participate in HCRA or DepCare you **MUST RE-ENROLL** to participate during the 2006 UC coverage period.

For personal assistance

Contact the LANL Benefits Office at 7-1806 or benefits@lanl.gov.

2006 Laboratory Monthly Health Insurance Premiums (according to salary range)				
<i>Plan</i>	<i>Single</i>	<i>Adult + Child(ren)</i>	<i>Two Adults</i>	<i>Family</i>
Select EPO				
Salary range less than or = \$40,000	55.18	99.32	115.88	160.02
\$40,001 to \$80,000	63.18	113.72	132.68	183.22
\$80,001 to \$120,000	72.18	129.92	151.58	209.32
More than \$120,000	82.18	147.92	172.58	238.32
Options PPO (living in the New Mexico PPO Service Area)				
Salary range less than or = \$40,000	149.78	269.60	314.54	434.36
\$40,001 to \$80,000	157.78	284.00	331.34	457.56
\$80,001 to \$120,000	166.78	300.20	350.24	483.66
More than \$120,000	176.78	318.20	371.24	512.66
Definity Health New Mexico (formerly iPlan)				
Salary range less than or = \$40,000	50.18	90.32	105.38	145.52
\$40,001 to \$80,000	58.18	104.72	122.18	168.72
\$80,001 to \$120,000	67.18	120.92	141.08	194.82
More than \$120,000	77.18	138.92	162.08	223.82
Options PPO National (not living in the New Mexico PPO Service Area)				
Salary range less than or = \$40,000	42.26	76.07	88.75	122.55
\$40,001 to \$80,000	50.26	90.47	105.55	145.75
\$80,001 to \$120,000	59.26	106.67	124.45	171.85
More than \$120,000	69.26	124.67	145.45	200.85
Core Plan				
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United Health Care Meetings

Active employees

Nov 9 – J. Robert Oppenheimer Study Center

- 10:00 am – 12:00 pm, and
- 1:00 pm – 3:00 pm

Retirees

Nov 9 – Duane Smith Auditorium, 6:00 pm – 7:00 pm

Nov 10 – Cities of Gold Hotel, 10:00 am – 11:00 am

Nov 10 – Airport University Inn, 2:00 pm – 3:00 pm
(Albuquerque)